

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: NATURAL GAS AND ELECTRIC MASTER METERING	DOCKET NO. RMU-02-6
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ORDER COMMENCING RULE MAKING

(Issued June 28, 2002)

Pursuant to the authority of Iowa Code §§ 17A.4, 476.1, and 476.2 (2001), the Utilities Board proposes to adopt the rules attached hereto and incorporated herein by reference in this order. The Board proposes to rescind existing paragraphs 19.3(1)"b" and 20.3(1)"b" and adopt new paragraphs 19.3(1)"b," "c," "d," and "e," and 20.3(1)"b," "c," "d," and "e." Current paragraphs 19.3(1)"c" and "d" and 20.3(1) "c" and "d" will be renumbered. This proceeding has been identified as Docket No. RMU-02-6. The reasons for proposing these amendments are set forth in the attached notice of intended action.

IT IS THEREFORE ORDERED:

1. A rule making proceeding identified as Docket No. RMU-02-6 is commenced for the purpose of receiving comments on the proposed rules in the notice attached hereto and incorporated herein by reference in this order.

2. The Executive Secretary is directed to submit for publication in the Iowa Administrative Bulletin a notice in the form attached to and incorporated by reference in this order.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 28th day of June, 2002.

UTILITIES DIVISION [199]

Notice of Intended Action

Pursuant to Iowa Code sections 17A.4, 476.1, and 476.2, the Utilities Board (Board) gives notice that on June 28, 2002, the Board issued an order in Docket No. RMU-02-6, In re: Natural Gas and Electric Master Metering, "Order Commencing Rule Making." The Board is also proposing to rescind 199 IAC 19.3(1)"b" and adopt new paragraphs "b," "c," "d," and "e" and renumber current paragraphs "c" and "d" to establish standards for master metering of natural gas service to multi-occupancy premises. The Board is proposing to rescind 199 IAC 20.3(1)"b" and adopt new paragraphs "b," "c," "d," and "e" and renumber current paragraphs "c" and "d" to establish standards for master metering of electricity to multi-occupancy premises.

On February 15, 2000, the Board issued an order commencing a rule making to receive public comment on the rescission of existing rules and adoption of new rules concerning individual meter measurement and master metering of natural gas and electric service. Notice of Intended Action was published in the Iowa Administrative Bulletin (IAB) Vol. XXII, No. 18 (3/8/00) p. 1358, as ARC 9716A. The Board terminated the rule making by order issued September 5, 2000, and by notice published in the IAB on October 4, 2000, as ARC 0184B.

The Board terminated the rule making to allow for a more extensive consideration of the changes to the rules. On November 20, 2001, the Board issued

an order opening a Notice of Inquiry, Docket No. NOI-01-2, to receive recommendations on revisions to the individual metering rules and comments from representatives of all persons who might be affected by changes to the rules. Notice was sent to gas and electric utilities and various groups and associations of potentially interested parties.

Responses were received from the City of Guttenberg; the Iowa Association of Municipal Utilities; Peoples Natural Gas Company, Division of UtiliCorp Inc., n/k/a Aquila, Inc., d/b/a Aquila Networks; Landlords of Iowa; United Cities Gas Company, a Division of Atmos Energy Corporation; Energy Billing Systems, Inc.; Interstate Power and Light Company, f/k/a IES Utilities Inc. and Interstate Power Company; Iowa Association of Electric Cooperatives; MidAmerican Energy Company; and the Consumer Advocate Division of the Department of Justice (Consumer Advocate).

After considering the comments, the Board has determined that the existing rules need to be modified. In order to clarify the current rules and establish more specific standards, the Board has restructured the paragraphs. The Board proposes to adopt additional language to the definition of "impractical" suggested by Consumer Advocate in Docket No. NOI-01-2. This additional language will allow for master metering in certain situations other than for safety and structural reasons.

The Board has included a prohibition of master metering in multiple buildings based upon the rules promulgated by the federal Office of Pipeline Safety (OPS). If the Board were to allow master metering of multiple buildings, the Board as the agent of the federal Department of Transportation, would be required to find and inspect each of these installations. This could include mobile home parks, multiple

building apartment complexes, and similar locations. The Board anticipates that master metering of these types of locations would increase its staff's workload so that it could not perform other duties concerning pipeline safety.

The Board is proposing a definition of "master meter" that is consistent with OPS rules. This definition allows separate garages at residences and multiple buildings owned by the same person or entity to be master metered. The Board has included the definition of "master meter" and the prohibition against master metering in multiple buildings in chapter 20 even though OPS rules do not apply to electric service. The Board believes these are reasonable restrictions and should also be applied to electric service.

Pursuant to Iowa Code sections 17A.4(1)"a" and "b," any interested person may file a written statement of position pertaining to the proposed amendments. The statement must be filed on or before August 13, 2002, by filing an original and ten copies in a form substantially complying with 199 IAC 2.2(2). All written statements should clearly state the author's name and address and should make specific reference to this docket. All communications should be directed to the Executive Secretary, Utilities Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

A public hearing to receive oral comments on the proposed amendments will be held at 10 a.m. on August 21, 2002, in the Board's hearing room at the address listed above. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Board at (515) 281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

These amendments are intended to implement Iowa Code sections 17A.4, 476.1, and 476.2.

The following amendments are proposed.

Item 1. Rescind current paragraph **19.3(1)"b"** and adopt **new** paragraphs **"b,"** **"c,"** **"d,"** and **"e"** and renumber current paragraphs "c" and "d" as follows:

b. All gas delivered to multi-occupancy premises within a single building, where units are separately rented or owned, shall be sold by the utility on the basis of individual meter measurement for each unit, except in the following circumstances:

(1) Where gas is used in centralized heating, cooling or water-heating systems;

(2) Where a facility is designated for elderly or handicapped persons;

(3) Where submetering or resale of service was permitted prior to 1966; or

(4) Where individual metering is impractical. "Impractical" means: 1. where conditions or structural barriers exist in the multi-occupancy building that would make individual meters unsafe or physically impossible to install; 2. where the cost of providing individual metering exceeds the long-term benefits of individual metering; or 3. where the benefits of individual metering (reduced and controlled energy consumption) are more effectively accomplished through a master meter arrangement.

c. Master metering to multiple buildings is prohibited, except for interior piping in buildings downstream from the customers' meter or the start of customer piping where there is no sub-metering.

d. If a multi-occupancy building is master metered, the end-user occupants may be charged for natural gas as an unidentified portion of the rent, condominium fee,

or similar payment, or if some other method of allocating the cost of gas service is used, the total charge for gas service passed through to the end users shall not exceed the total gas bill charged by the utility for the same period.

e. For purposes of this subrule, a "master meter" means a single meter used in determining the amount of natural gas provided to a multi-occupancy building or multiple buildings.

Item 2. Rescind paragraph **20.3(1)"b"** and adopt new paragraphs **"b," "c," "d,"** and **"e"** and renumber current paragraphs "c" and "d" as follows:

b. All electricity delivered to multi-occupancy premises, within a single building, where units are separately rented or owned must be sold by the utility on the basis of individual meter measurement for each unit, except in the following instances:

- (1) Where electricity is used in centralized heating, cooling, water-heating, or ventilation systems;
- (2) Where a facility is designated for elderly or handicapped persons;
- (3) Where submetering or resale of service was permitted prior to 1966; or
- (4) Where individual metering is impractical. "Impractical" means: 1. where conditions or structural barriers exist in the multi-occupancy building that would make individual meters unsafe or physically impossible to install; 2. where the cost of providing individual metering exceeds the long-term benefits of individual metering; or 3. where the benefits of individual metering (reduced and controlled energy consumption) are more effectively accomplished through a master meter arrangement.

c. Master metering to multiple buildings is prohibited, except for interior wiring in buildings located behind the customer's meter or the start of customer wiring where there is no sub-metering.

d. If a multi-occupancy building is master metered, the end-user occupants may be charged for electricity as an unidentified portion of the rent, condominium fee, or similar payment, or if some other method of allocating the cost of electric service is used, the total charge for electric service passed through to the end users shall not exceed the total electric bill charged by the utility for the same period.

e. For purposes of this subrule, a "master meter" means a single meter used in determining the amount of electricity provided to a multi-occupancy building or multiple buildings.

June 28, 2002

/s/ jDiane Munns

Diane Munns
Chairman